



Patrick W. Henning, Director
April 4, 2008
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Arnold Schwarzenegger
Governor

Mr. Robert Bloom, President
Workforce Investment Board of Solano County
320 Campus Lane
Fairfield, CA 94534

Dear Mr. Bloom:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2007-08

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the Workforce Investment Board of Solano County's (WIBSC) Workforce Investment Act (WIA) 85-Percent grant program operations. We focused this review on the following areas: Board composition, One-Stop delivery system, program administration, WIA activities; participant eligibility, local program monitoring of subrecipients, grievance and complaint system, and management information system/reporting.

This review was conducted by Ms. Carol Hammond and Mr. Fernando Pina from October 15, 2007 through October 19, 2007.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by WIBSC with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2007-08.

We collected the information for this report through interviews with WIBSC representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, WIBSC's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2007-08.

We received your response to our draft report on February 8, 2008, and reviewed your comments and documentation before finalizing this report. Because your response did not adequately address finding 1 cited in the draft report, we consider this finding

unresolved. We requested that WIBSC provide the Compliance Review Division with additional information to resolve issues that led to the finding. Therefore this finding will remain open and has been assigned Corrective Action Tracking System (CATS) number 80056.

BACKGROUND

The WIBSC was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, WIBSC was allocated: \$1,039,762 to serve adult participants; \$1,003,951 to serve youth participants; and \$981,113 to serve dislocated worker participants.

For the quarter ending September 30, 2007, WIBSC reported no PY 2007-08 expenditures. For PY 2006-07, WIBSC reported the following expenditures for its WIA programs: \$819,905 for adult participants; \$858,258 for youth participants; and \$788,310 for dislocated worker participants. In addition, WIBSC reported the following enrollments: 123 adult participants; 57 youth participants; and 86 dislocated worker participants. We reviewed case files for 30 of the 266 participants enrolled in the WIA program as of October 15, 2007.

PROGRAM REVIEW RESULTS

While we concluded that, overall, WIBSC is meeting applicable WIA requirements concerning grant program administration, we noted an instance of noncompliance in the area of program monitoring. The finding that we identified in this area, our recommendation, and the WIBSC proposed resolution of the finding is specified below.

FINDING 1

Requirement:

20 CFR Section 667.400(c) (1) states, in part, that monitoring of grant-supported activities in accordance with the uniform administrative requirements must be performed continuously. Additionally, Section 667.410(a) states, in part, that each recipient and subrecipient must conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors.

WIA Directive 00-7 states, in part, that onsite monitoring of all subrecipients must occur at least once each program year and must be both fiscal and programmatic.

Observation:

We observed that WIBSC did not conduct an on-site program monitoring review of the following WIA subrecipients during PY 2006-07: A.K. Bean Foundation, which provides leadership workshops to youth participants, and Napa County which provides direct services to participants in the Healthcare Training Initiative program. Additionally, WIBSC did not have a schedule or plan to monitor these subrecipients.

Recommendation:

We recommended that WIBSC provide the Compliance Review Division (CRD) with a corrective action plan, including a timeline, to ensure that onsite monitoring and follow-up will be conducted for all subrecipients.

WIBSC Response:

The WIBSC stated that it reviewed its procedure to ensure that periodic monitoring of subrecipient financial and program records is required to provide reasonable assurance that the subrecipient administration and operation of federally funded programs are in compliance with 20 CFR Section 667.410 (a). For PY 2007-08, WIBSC states it has five WIA subrecipients. Administrative and programmatic monitoring has been completed for all but one of its subrecipients, and reports have been issued. No follow-up or corrective action is required. Subrecipient A.K. Bean Foundation was monitored on February 12, 2008 and staff is in the process of completing the report.

State Conclusion:

Based on WIBSC's response, we cannot resolve this issue at this time. On March 25, 2008, CRD requested a copy of the monitoring reports for subrecipients A.K. Bean Foundation and Napa County along with a copy of the monitoring schedule for PY 2007-08. The WIBSC provided a copy of the monitoring report for A.K. Bean Foundation only. The WIBSC has not provided CRD with documentation of a monitoring visit or report for Napa County and has not provided a copy of the monitoring schedule for PY 2007-08. We recommend that WIBSC provide CRD with a corrective action plan, including a timeline, to ensure that onsite monitoring and follow-up will be conducted for all subrecipients. Until then, this finding is unresolved and assigned CATS number 80056.

Mr. Robert Bloom

-4-

April 4, 2008

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Division. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than May 2, 2008. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Division
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is WIBSC's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain WIBSC's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Ms. Carol Hammond at (916) 653-6633.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Division

cc: Ron Addy, MIC 50
Shelly Green, MIC 45
Jose Luis Marquez, MIC 50
Dathan O. Moore, MIC 50